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FROM JOSEPH FARAH'S G2 BULLETIN

Saudi funds still flow to al-Qaida Only 4% of terror money frozen by Riyadh kingdom

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Editor's note: Joseph Farah's G2 Bulletin is an online, subscription intelligence news service from the creator of WorldNetDaily.com – a journalist who has been developing sources around the world for the last 25 years.

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Saudi Arabia, the source of most of al-Qaida's funding prior to Sept. 11, 2001, has frozen only a tiny percentage of the money flowing to Osama bin Laden's terror network since the biggest terror attack in history, according to a new report in Joseph Farah's G2 Bulletin, the premium, online intelligence newsletter.

According to the report, since Sept. 11, 2001, Saudi Arabia has frozen only 41 bank accounts belonging to seven individuals for a total of \$5,697,400, or 4 percent of the total amount of terrorist-related funds frozen around the world – this despite the fact that intelligence and law-enforcement authorities around the world agree that most of al-Qaida's money originates in the kingdom.

Despite Saudi Arabia's rhetoric about the kingdom being the No. 1 target of al-Qaida, officials there don't really believe their own words, say G2 Bulletin sources.

"We have never worried about the effect of these organizations on our country," said Prince Bandar Bin Sultan just after the attacks on New York and Washington.

Since the Sept. 11 attacks, the Saudi Arabian Monetary Agency has addressed circulars to Saudi banks to investigate the extent to which they may have assets belonging to the individuals and entities that appear in the lists of those suspected of having links to terrorism, and it has asked banks to scrutinize accounts and audit all financial operations that affect them.

Furthermore, SAMA instructed commercial banks to establish a "Self- Supervisory Committee" to closely monitor and fight terrorism funding and to coordinate all efforts to freeze the assets of the identified individuals and entities.

But, according to G2 Bulletin sources, most of these bureaucratic measures, while creating the impression that the Saudi government is taking appropriate actions to counter terrorist funding, have

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proved ineffective in countering networks that can easily evade the controls.

Targeting money laundering, for instance, turned out to be ineffective because the practice refers to the cleaning of illegal gains from drug trafficking and other criminal activities. Most of the funding of terrorism actually involves using legitimate income to finance illegal activity.

Similar doubts can also be raised as to the extent of the SAMA willingness to effectively control these institutions, especially when illegal practices involve the use of Zakat, or charity, funds.

For example, it was only in 1999, after several months of fierce international pressure, that SAMA directed an audit on the National Commercial Bank, chaired at the time by Osama bin Laden's brother in law, and one of his major financial supporters in the kingdom. After the audit revealed several millions of dollars were diverted to terrorist organizations, its chairman was replaced, but remained until last year, along with his family, a major shareholder of the bank with a controlling vote at its board of directors.

Furthermore, documents made available to the Sept. 11 victims' families clearly established that the NCB was still facilitating banking transactions for terrorists after that date. The same applies to other major banks of the kingdom including A1-Rajhi Bank, A1-Baraka Bank, Arab Bank and the Saudi American Bank, which funneled money to or from a Spanish al-Qaida cell from 1996 until 2001.

"Al-Qaida is probably the most successful example of a terrorist organization acting under the umbrella of business entities," says Jean-Charles Brisard, international expert on terrorism financing and lead investigator for the Sept. 11 victims' families.

Operational cells of al-Qaida are involved, he says, in construction, in real estate and in public building sectors.

Some 241 Saudi charity organizations are currently operating in Saudi Arabia and abroad. These organizations receive annually between \$3 billion to \$4 billion, of which between 10 percent and 20 percent is sent abroad. Saudi charities, international intelligence agencies say, are present at every stage of terrorism.

The Saudi Red Crescent, for instance, a parallel to the Red Cross in the U.S., maintained passports for al-Qaida operatives to avoid searches and is referred to as an "umbrella" organization by al-Qaida operatives. A message on the letterhead of the Saudi Red Crescent bureau in Peshawar requests that "weapons" be inventoried. The letter contains a note from Osama bin Laden to its then-director stating "we have an extreme need for weapons".

In the past, Saudi charities even provided military bases for al-Qaida – even military training for al-Qaida terrorists.

From several intelligence sources and documents collected around the world, the investigation of the 9/11 families has been able to establish that several Saudi charities have funded at least 10 terrorist training camps in Afghanistan. The International Islamic Relief Organization funded at least six training camps referred as terrorist training camps by the U.S. government, including the Darunta camp, a facility used for chemical and biological weapons testing.

Saudi Arabia still harbors essential elements of al-Qaida, say G2 Bulletin sources. These include the ideological and spiritual leadership, the human resources and, most importantly, the financial tools.

"Today, all of our leads and much of the evidence collected by the 9/11 families put Saudi Arabia on the central axis of terror," says Brisard. "Despite clear warnings, Saudi Arabia's support to charities has been continuous and extensive over the time, even after 9/11. Furthermore, most of the financial infrastructure is still in place, from banks to charities, including front companies and wealthy donors."

Brisard says the Saudis have been misleading the world since Sept. 11, 2001.

"Saudi Arabia still maintains freely on its soil thousands of individuals or entities who provide financial support to the Bin Laden network, and the 9/11 families are still waiting for them to be investigated, sought and prosecuted with the same determination as the one applied to those who were carrying the guns and bombs they've paid for," he adds.

Law enforcement and intelligence operatives tell G2 Bulletin the money trail has allowed al-Qaida to step up its operational attacks since Sept. 11, 2001 – making this time period the busiest in its history. Even though al-Qaida has not been successful at launching a major attack against the U.S. since 9/11, it has conducted more than 40 bombings causing more than 1,000 deaths.

According to these sources, al-Qaida has maintained, despite the international crackdown on its funding since Sept. 11, an operational annual budget of \$50 million. Most of those funds originate from wealthy donors in the Middle East.

In 2002, Bosnian police seized a document listing wealthy Saudi sponsors. They include 20 Saudis – six bankers and 12 businessmen and two former ministers. They include former leading Saudi banker Khalid Bin Mahfouz, businessman Saleh Abdullah Kamel, the bin Laden family, and several bankers representing the three largest Saudi banks – National Commercial Bank, Riyadh Bank and Al Rajhi Bank.

"According to our estimates, their cumulative corporate net worth totals more than \$85 billion dollars, or 42 percent of the Saudi annual GNP and equivalent to the annual GNP of Venezuela," says Brisard.

Some \$10 billion in Zakat, or charitable funding, is raised by Saudi Arabia alone annually. Zakat remains the most important source of financial support for the al-Qaida network, essentially because it is the most common and unregulated way to raise donations in Saudi Arabia.

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